

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

IN RE DISCOVER FINANCIAL SERVICES
DERIVATIVE LITIGATION

Lead Case No. 23-cv-1102-MN

(Consolidated)

This Document Relates to:

ALL ACTIONS

JOINT STIPULATION AND ORDER TO STAY CASE

WHEREAS, on October 31, 2023, the Court entered an order consolidating *McCollum v. Hochschild, et al.*, Case No. 23-cv-01102-MN, and *Swaziek v. Hochschild, et al.*, Case No. 23-cv-01174-MN, into one action, captioned *In re Discover Financial Services Derivative Litigation*, Lead Case No. 23-cv-01102-MN (the “Derivative Action”);

WHEREAS, there is currently pending in the United States District Court for the Northern District of Illinois a putative securities class action, captioned *Mannacio v. Discover Financial Services, et al.*, Case No. 1:23-cv-06788 (the “Securities Action”);

WHEREAS, there is substantial overlap between the facts and circumstances alleged in the Derivative Action and Securities Action;

WHEREAS, Discover Financial Services, Roger C. Hochschild, John T. Greene, and R. Mark Graf are named as defendants in the Securities Action and are also named as defendants or nominal defendant in the Derivative Action;

WHEREAS, certain of the relief requested in the Derivative Action may be affected by the outcome of the Securities Action, and the outcome of the Securities Action may inform the manner in which this case proceeds;

WHEREAS, on November 30, 2023, the court in the Securities Action appointed co-lead plaintiffs and co-lead counsel;

WHEREAS, co-lead plaintiffs in the Securities Action are expected to file an amended complaint on or before January 31, 2024;

WHEREAS, Defendants Discover Financial Services, Roger C. Hochschild, John T. Greene, and R. Mark Graf anticipate that they will move to dismiss the forthcoming amended complaint in the Securities Action;

WHEREAS, pursuant to the Private Securities Litigation Reform Act (“PSLRA”), 15 U.S.C. § 78u-4(b)(3)(B), “all discovery and other proceedings shall be stayed during the pendency of any motion to dismiss” and, as a result, discovery in the Securities Action will be stayed until the court decides the anticipated motion(s) to dismiss in the Securities Action;

WHEREAS, given the circumstances of this case, in the interest of judicial efficiency, and to preserve the parties’ and the Court’s resources, the parties agree that it is appropriate to stay the Derivative Action until the court in the Securities Action rules on the anticipated motion(s) to dismiss the amended complaint in the Securities Action;

WHEREAS, counsel for Discover Financial Services has conferred with counsel for the individual defendants in the Derivative Action, who consent to and join in the relief requested herein.

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and between the undersigned, subject to Court approval, as follows:

1. All proceedings and deadlines in the Derivative Action, including any obligation to answer, move against, or otherwise respond to any complaint filed in the Derivative Action, are hereby stayed pending the resolution of the anticipated motion(s) to dismiss in the Securities

Action.**

2. The deadline for the parties to file a proposed schedule, which is currently set for January 2, 2024 (D.I. No. 4), is hereby vacated.

3. Defendants shall promptly notify Plaintiffs of any related derivative actions, and shall promptly notify Plaintiffs if any such derivative action is not stayed for a similar or longer duration.

4. Plaintiffs shall have the option to terminate the stay if a related derivative action is not stayed for a similar or longer duration by giving 14 days' notice to counsel for Defendants via email.

5. During the stay, Plaintiffs may file a consolidated amended complaint, but Defendants shall not be required to respond to any amended complaint during the pendency of the stay.

6. The parties shall meet and confer and submit a proposed scheduling order within 14 days of the date that the stay is lifted.

7. This stipulation is without waiver or prejudice to any and all claims, defenses, arguments, motions, or any requests for other relief that would otherwise be available to the parties.

Dated: December 21, 2023

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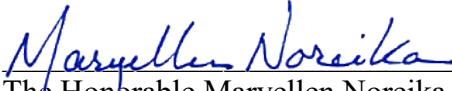
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SO ORDERED this 21st day of December 2023.

** The stay will not automatically lift. The parties must request the Court to lift the stay.



The Honorable Maryellen Noreika
United States District Judge